

2011-2012 PERFORMANCE PLAN – Portfolio Manager, Affiliate Investment Programs (G. Jimenez)

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All of the terms and provisions of the "CalPERS Compensation Policies and Procedures for Chief Executive Officer, Chief Actuary, General Counsel and Investment Management Positions" are incorporated in this Performance Plan by this reference as if set forth in full.

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
10%	Total Fund Performance	Return deviation in basis points relative to: Total Fund Performance Benchmark. {SJ1CA1 – CPERST02}	-13 basis points = 0 +13 basis points = 1.0 27 basis points = 1.5
20%	457 Plan Gross of Fees Aggregate Return	Excess return in basis points relative to: CalPERS Custom 457 Plan Index Performance Benchmark. {SKZNA1-CPERSK5A}	0 basis points = 0 10 basis points = 1.0 15 basis points = 1.5
5%	Total Legislators' Retirement System Fund Performance	Excess return in basis points relative to benchmark: Legislators' Retirement System fund {SK3CA1- CALLEG2}	0 basis points = 0 +10 basis points = 1.0 +15 basis points = 1.5
5%	Total Judges' Retirement System Fund Performance	Excess return in basis points relative to benchmark: Judges' Retirement System fund {SKDKA1- CALJUDG2}	0 basis points = 0 +10 basis points = 1.0 +15 basis points = 1.5
5%	Total California Employers' Retiree Benefit Trust Fund performance	Excess return in basis points relative to benchmark: California Employers' Retiree Benefit Trust fund {SKB0- CPERSAHC}	0 basis points = 0 +10 basis points = 1.0 +15 basis points = 1.5
5%	Total Long-term Care Fund performance	Excess return in basis points relative to benchmark: Long-term Care fund {SK3KA1- CALLTC2}	0 basis points = 0 +10 basis points = 1.0 +15 basis points = 1.5
50%	Subtotal	Quantitative Measures	

Incentive Schedule

Total Fund: FY 2012-13: target 0/20/30

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
10%	Leadership	<p><u>Enterprise-wide Leadership and Management</u> By June 30, 2012, achieve improvements in enterprise management by:</p> <ul style="list-style-type: none"> • Maintaining an average position vacancy rate of 5% or less through the fiscal year 2011-12. • Ensure all Form 700 Statements of Economic Interest are filed by scheduled employees by the mandated due date of April 1, 2012. • Ensure all scheduled employees complete the legally mandated AB 1234 ethics training by June 30, 2012. • Maintain a 90% EPAD completion rate. • Address and resolve all outstanding audit findings within 12 months of audit report. • Dedicate 2 hours per month for Employee Recognition during the year through fiscal year 2011-12. • Ensure 100 percent compliance using the new diversity and inclusion performance factor in annual manager and supervisor performance reviews. • Complete the Executive D&I Development Journey course, including completion of all pre- and post-session work assignments. • Conduct at least two direct report team sessions on diversity and inclusion awareness. • Effectively manage all Operational resources within prescribed budget limits. • Conduct direct report sessions on renewal of our core values and guiding behaviors to ensure that we are adhering to these convictions at least once a quarter <p><u>Investment Office Leadership and Management</u> By June 30, 2012, contribute to the value creation, capacity building, and organization support for the Investment Office by:</p> <ul style="list-style-type: none"> • Strengthening and reinforcing a value driven culture that fosters accountability, transparency, and integrity. • Participating in training, communication, and recognition activities and events. <p><u>Team Participation – Cross Asset Class Collaboration</u> By June 30, 2012, participate in and support cross asset class initiatives, such as the Investment Office Roadmap, Investment Strategy Group, Investment Proposal Tracking System, Operating Committee, and technology steering committees to improve investment performance, cost effectiveness, and manage risk.</p>	

Incentive Schedule

Total Fund: FY 2012-13: target 0/20/30

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
10%	Strategic Initiatives	By June 30, 2012, lead and implement Investment Office initiatives such as the Strategic Partner project and Investment Office participation into CalPERS wide projects such as the hybrid plan project.	From schedule
10%	Fund Structure	By June 30, 2012 lead a cross functional enterprise team and develop implementation plans for the Investment Office Target Operating Model Fund Structure project.	From schedule
15%	Fund Review	By December 31, 2011 review and develop recommendations for the underlying investment funds used in the Affiliate funds. This includes both internally managed funds and externally managed funds offered in the Supplemental Income Plans. By June 30, 2011, get approval from the Investment Committee for new policy asset allocations for the Target Retirement Date and Risk based funds offered in the Supplemental Income Plans.	From schedule
5%	Program Management	By December 31, 2011 transition SIP program management to new CalPERS Organization structure.	From schedule
50%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	

Incentive Schedule

Total Fund: FY 2012-13: target 0/20/30